

# Power Cost Memorandum Fuel Cost Update and Surcharge Change

Date: August 19, 2021

Utility Name (Cert. No.) <b>CIRCLE ELECTRIC, LLC (256)</b>	Utility File No. <b>PC70-031700</b>	Date Filed: <b>July 8, 2021</b>
---	--	------------------------------------

PCE AMOUNT SUMMARY	Previously Approved PC70-0317NN	Staff Recommended Amount(s) and Effective Date PC70-031700
Class Rate	<u>Date Approved:</u> July 1, 2021	August 20, 2021
ALL	\$0.5302	<b>\$0.5465</b>
<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent		<input type="checkbox"/> Interim <input checked="" type="checkbox"/> Permanent

Prior Fuel Purchase Price: <u>\$ 2.9461</u>	<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted	New Fuel Purchase Price: <b>\$ 3.1099</b>	<input type="checkbox"/> Actual <input checked="" type="checkbox"/> Weighted
Delivery Charge: _____	Surcharge Change: Previous <u>0.0207</u>	Updated <u>0.0423</u>	

Weighted Average Fuel Price/Gal. Calculation					
	<u>Gallons</u>		<u>Price</u>		
On Hand	4,120	X	2.9461	=	12,138.05
Delivered	2,977	X	3.3365	=	9,931.38
	<u>7,097</u>				<u>\$ 22,069.43</u>
					Weighted Average \$ 3.1099

Signed: \_\_\_\_\_

*Brenda Cox*

Brenda Cox

Utility Financial Analyst

## Commission decision re. this recommendation :

	Date (if different from 8/19/21)	I CONCUR	I DO NOT CONCUR	I WILL WRITE A DISSENTING STATEMENT *
Pickett		<i>RMP</i> RMP		
Kurber		<i>KKL</i> KKL		
Scott		<i>AGS</i> AGS		
Sullivan		<i>DS</i> DS		
Wilson		<i>JWW</i> JWW		

*Special Instructions to Staff:*

\* If this column is initialed, Staff will contact the Commissioner for the statement. Otherwise, dissent will simply be noted at the close of the By Direction Letter or Order.

# CIRCLE ELECTRIC LLC

POWER COST EQUALIZATION CALCULATION  
For Test Period Ended December 31, 2016  
**Fuel Cost Update and Surcharge Change**

- A. Total kWh Generated
- B. Total kWh Sold (Appendix 2)
- C. Total Non-Fuel Costs (Appendix 2)
- D. Non-Fuel Cost/kWh (C / B)**
- E. Total Fuel Costs (Appendix 2)
- F. Fuel Costs/kWh (E / B)**
- G. Eligible Costs/kWh (D + F)
- H. Eligible Cost/kWh (G)  
Less 20.03 cents/kwh**
- I. Lesser of (H) or 79.97 cents/kWh
- J. Average Class Rates
- ALL
- K. Lesser of: (I) x 95% or (J)
- ALL
- L. Funding Level in Effect**
- ALL

PC70-0317NN	PC70-0317OO
Prior Commission Approval	Utility Request
363,360	363,360
330,837	330,837
148,198	148,198
<b>\$0.4479</b>	<b>\$0.4479</b>
102,723	108,431
<b>\$0.3105</b>	<b>\$0.3277</b>
\$0.7584	\$0.7756
<b>\$0.5581</b>	<b>\$0.5753</b>
\$0.5581	\$0.5753
\$0.5804	\$0.6020
Class Power Cost Equalization Per kWh Payable	
\$0.5302	\$0.5465
100%	100%
<b>\$0.5302</b>	<b>\$0.5465</b>

PC70-0317OO  
Appendix 1

# CIRCLE ELECTRIC LLC

## SCHEDULE OF ELIGIBLE POWER COSTS, SALES, AND EFFICIENCY

For Test Period Ended December 31, 2016

### Fuel Cost Update and Surcharge Change

				PC70-0317NN	PC70-0317OO	
				Prior Commission Approval	Per Utility	Per Staff
<b>Non-Fuel Costs:</b>						
A.	Personnel Costs			66,368	66,368	66,368
B.	Operating Expenses			35,419	35,419	35,419
C.	General & Administrative			27,569	27,569	27,569
D.	Depreciation/Amortization			18,502	18,502	18,502
E.	Interest Expense			340	340	340
F.	Other (Describe)			0	0	0
<b>G.</b>	<b>Total Non-Fuel Costs</b>			<b>\$148,198</b>	<b>\$148,198</b>	<b>\$148,198</b>
<b>Fuel Costs:</b>						
H.	Gallons Consumed for Electric Generation			34,867	34,867	34,867
I.	Price of Fuel: (per gal) Weighted Average			\$2.9461	\$3.1099	\$3.1099
<b>J.</b>	<b>Total Cost of Fuel (H x I)</b>			<b>\$102,723</b>	<b>\$108,431</b>	<b>\$108,431</b>
<b>K.</b>	<b>kWh Generated</b>			<b>363,360</b>	<b>363,360</b>	<b>363,360</b>
<b>L.</b>	<b>kWh Sales</b>			<b>330,837</b>	<b>330,837</b>	<b>330,837</b>
<b>M.</b>	<b>kWh Station Service</b>			<b>1,230</b>	<b>1,230</b>	<b>1,230</b>
N.	Efficiency	≥	<u>Standard</u> 10.5	10.50	10.50	10.50
O.	Line Loss	≤	12%	8.61%	8.61%	8.61%
(kWh generated -(kWh sold+ Station Service))/kWh generated						

UTILITY NAME: **CIRCLE ELECTRIC LLC**  
**CALCULATION OF AVERAGE CLASS RATE PER kWh**

Rate Schedule: Residential

Customer Charge: 0

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.2003
0 to 500	0.7600	0.0423	0.8023	401.1500		
to						
to						
<b>Max</b> 500			<b>Total</b>	<b>401.1500</b>	<b>0.8023</b>	<b>0.6020</b>

Rate Schedule: Community Facilities

Customer Charge: 0

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.2003
0 to 500	0.7600	0.0423	0.8023	401.1500		
to						
to						
<b>Max</b> 500			<b>Total</b>	<b>401.1500</b>	<b>0.8023</b>	<b>0.6020</b>

Rate Schedule:

(1) Block (by kWh)	(2) Rate (\$/kWh)	(3) Surcharge (\$/kWh)	(4) Total (\$/kWh) (2+3)	(5) Total \$ (1x4)	(6) Avg. (\$/kWh) (5)/(1)	(7) Avg. Rate (\$/kWh) - \$ 0.2003
0 to 500						
to						
to						
<b>Max</b> 500			<b>Total</b>			

# Circle Electric LLC

	Delivery Date	Gallons	Cost Per Gallon	*Fuel Treatment	Total Cost
Beginning Fuel Inventory		4,120			
Last Approved Fuel Cost/Gal.			\$ 2.9461		
Beginning Fuel Inventory in Gallons	X	Last Approved Fuel Cost/Gal.	=	Beginning Fuel Inv	12,138.05
Reporting Period Purchases	06/17/21	2,976.6	3.2465	0.0900	\$9,931
Totals for Reporting Period Purchases on this sheet:		2,977			\$9,931.38
Grand Totals (beginning inventory plus purchases)		7,097			22,069.43
Total Cost for Reporting Period divided by Total Gallons for Reporting Period =				\$	3.3365
Grand Total Cost divided by Grand Total Gallons =				\$	3.1099

Staff notes Circle included the State motor fuel tax of \$0.08 in the cost per gallon of fuel on its Fuel Report. Staff removed the motor fuel tax from the amount reported to calculate the cost per gallon listed above. Staff removed it because fuel used by power plants for power generation are exempt and entitled to a refund of the motor fuel tax paid. (AS 43.40.015(d)(1), AS 43.40.030(d), and AS 43.40.100(C))

\*Circle purchased 9 gallons of a fuel treatment catalyst on 12/29/19. The cost is \$500 per gallon. Circle advised that 1 gallon of treatment will treat 5,500 gallons of fuel. (\$500/5,500= \$0.0909/gal)

Signature: Robert M. Pickett  
 Email: bob.pickett@alaska.gov

Signature: Keith Kurber II  
Keith Kurber II (Aug 19, 2021 08:49 AKDT)  
 Email: keith.kurber@alaska.gov

Signature: 

Email: antony.scott@alaska.gov

Signature: Daniel Sullivan  
Daniel Sullivan (Aug 19, 2021 10:48 AKDT)

Email: daniel.sullivan@alaska.gov

Signature: Janis W. Wilson  
Janis W. Wilson (Aug 19, 2021 10:56 AKDT)

Email: janis.wilson@alaska.gov